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2 BILL NO. R-91-05-*O 5*
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RESOLUTION NO. R-*19-91*

5 A RESOLUTION setting forth the policy
6 of the City of Fort Wayne under I.C. 6-
7 1.1-12.1 for designating residentially
8 distressed areas.

9 WHEREAS, the Common Council finds that certain areas of
10 the city are characterized by a lack of residential
11 development, cessation of growth, deterioration of
12 improvements, substandard buildings, and other
13 characteristics which make normal development and occupancy
14 undesirable; and

15 WHEREAS, the development of new or significantly
16 rehabilitated housing in the central city is beneficial to
17 the community as a whole by making more efficient use of
18 existing infrastructure and preventing the spread of blight;
19 and

20 WHEREAS, reducing the level of property taxes paid
21 by households investing in the central city will make housing
22 more affordable for those households and demonstrate the City
23 of Fort Wayne's commitment to such investment.

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25 NOW, THEREFORE BE IT RESOLVED BY THE COMMON
26 COUNCIL OF THE CITY OF FORT WAYNE, INDIANA:

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28 SECTION 1. That, upon appropriate request, it will
29 designate as "residentially distressed areas" those parcels
30 of property which are located within the corporate limits of
31 Fort Wayne and meet the following criteria specified in I.C.
32 6-1.1-12.1-2:

- A) The area is comprised of parcels that are either unimproved or contained only one (1) or two (2) family dwellings or multi-family dwellings

designed for up to four (4) families, including accessory structures for those dwellings.

- B) Any dwellings in the area are not permanently occupied and are either the subject of an order issued under I.C. 36-7-9 or evidence significant building deficiencies.
 - C) Parcels of property in the area have been sold and not redeemed under I.C. 6-1.1-25 or are owned by a unit of local government.

SECTION 2. That any property designated as a residentially distressed area under Section 1 must also fulfill the following obligations:

- A) Dwellings built or rehabilitated on the property must meet local code standards for habitability.

 - B) Dwellings must be built or rehabilitated on the property within two (2) years of the date of designation as a residentially distressed area.

SECTION 3. That the amount of deduction that an owner of property in a residentially distressed area is entitled to receive under I.C. 6-1.1-12.1 for a particular year equals the lesser of:

- A) The assessed value of the property after the rehabilitation or redevelopment has occurred; or
 - B) The following amount:

<u>Type of Dwelling</u>	<u>Amount</u>
One (1) family dwelling	\$ 8,000
Two (2) family dwelling	\$15,000
Three (3) unit multi-family dwelling	\$22,000
Four (4) unit multi-family dwelling	\$28,000

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2 SECTION 4. That this resolution shall be in full force
3 and effect from and after its passage and any and all
4 necessary approval by the Mayor.

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10 APPROVED AS TO FORM AND LEGALITY

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J. Timothy McCaulay
13 J. Timothy McCaulay, City Attorney

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Read the first time in full and on motion by D. J. Dantu,
seconded by Redd, and duly adopted, read the second time
title and referred to the Committee on Sentine (and the
City Plan Commission for recommendation) and Public Hearing to be held after
due legal notice, at the Council Conference Room 128, City-County Building,
Fort Wayne, Indiana, on _____, the _____, da
of _____, 19_____, at _____ o'clock M., E.S.

DATED: 5-14-91

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK
Neddy Eccoff City Clerk

Read the third time in full and on motion by D. J. Dantu,
seconded by Henry, and duly adopted, placed on its
passage. PASSED LOST by the following vote:

	AYES	NAYS	ABSTAINED	ABSENT
<u>TOTAL VOTES</u>	<u>9</u>			
<u>BRADBURY</u>	<u>✓</u>			
<u>BURNS</u>	<u>✓</u>			
<u>EDMONDS.</u>	<u>✓</u>			
<u>GiaQUINTA</u>	<u>✓</u>			
<u>HENRY</u>	<u>✓</u>			
<u>LONG</u>	<u>✓</u>			
<u>REDD</u>	<u>✓</u>			
<u>SCHMIDT</u>	<u>✓</u>			
<u>TALARICO</u>	<u>✓</u>			

DATED: 5-28-91

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Passed and adopted by the Common Council of the City of Fort Wayne,
Indiana, as (ANNEXATION) (APPROPRIATION) (GENERAL)
(SPECIAL) (ZONING MAP) ORDINANCE RESOLUTION NO. Q-19-91
on the 28th day of May, 1991,

Sandra E. Kennedy ATTEST
SANDRA E. KENNEDY, CITY CLERK

SEAL
Samuel J. Talarico
PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on
the 29th day of May, 1991,
at the hour of 11:30 o'clock A.M., E.S.T.

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Approved and signed by me this 30th day of May
1991, at the hour of 11:45 o'clock A.M., E.S.T.

PAUL HELMKE
PAUL HELMKE, MAYOR



MEMORANDUM

TO: City Council Members

FROM: Greg Purcell, Director, Community and Economic Development

DATE: May 14, 1991

SUBJECT: Residential Property Tax Abatement

Background

As you know, the City of Fort Wayne has offered property tax abatement for industrial and downtown business expansions for several years. This program encourages business development and demonstrates the City's commitment to economic growth.

We believe that a similar policy should be used to encourage residential development in areas that have experienced blight. These neighborhoods already have infrastructure, such as sewer and water lines, in place, and it is more efficient for development to occur there than in outlying areas where infrastructure must be built. Perhaps even more importantly, residential development and rehabilitation is part of a coordinated strategy to enhance property values and the quality of life in central city neighborhoods. Abating property taxes also reduces the monthly housing expense for a family, making housing more affordable. In its study of south central Fort Wayne, the Urban Land Institute recommended that residential property tax abatement be adopted.

Proposal

Indiana state law allows cities to abate property taxes on property that has been designated a "residentially distressed area" by the City Council. The criteria for designation are specified in I.C. 6-1.1-12.1-2 and are as follows:

1. The area is comprised of parcels that are either unimproved or contain only one- or two-family dwellings or multifamily dwellings for up to four families, including accessory structures for those dwellings.

2. Any dwellings in the area are not permanently occupied and are either the subject of an order issued under I.C. 36-7-9 (by the Neighborhood Code Enforcement Department) or evidence significant building deficiencies.
3. Parcels of property in the area have been sold and not redeemed under I.C. 6-1.1-24 and I.C. 6-1.1-25 (tax sale) or are owned by a unit of local government.

Per State law, dwellings built or rehabilitated on the property must meet local code standards for habitability after redevelopment or rehabilitation.

Taxes are abated for five years. The amount of deduction that a property owner may receive for a particular year is the lesser of:

1. The assessed value of the property after the rehabilitation or redevelopment has occurred; or
2. The following amount:

<u>Type of Dwelling</u>	<u>Amount</u>
One (1) family dwelling	\$ 8,000
Two (2) family dwelling	\$15,000
Three (3) unit multi-family dwelling	\$22,000
Four (4) unit multi-family dwelling	\$28,000

In addition, State law allows the City Council, at its discretion, to limit the amount of time a property is designated as a residentially distressed area. This does not affect the five years allowed for tax abatement. We recommend that Council limit designation to two years. This is adequate time for buildings to be constructed while also preventing staff from having to monitor the status of the property indefinitely.

Alternatives

It is not necessary that Council adopt a policy resolution on this issue; the Council could still allow residential property tax abatement. However, we strongly believe that setting forth a policy will clarify the "ground rules" for people interested in taking advantage of this program.

Recommendation

We recommend that the Council adopt the attached resolution, outlining its policy of allowing residential property tax abatements for certain areas.

GP/KG:gb

Admn. Appr.

DIGEST SHEET

TITLE OF RESOLUTION Residential Property Tax Abatement

DEPARTMENT OF REQUESTING RESOLUTION Community & Economic Development

SYNOPSIS OR RESOLUTION Resolution sets forth the City's policy of abating property taxes on certain residential improvements as allowed by State law.

B-91-05-05

EFFECT OF PASSAGE Provides guidance to citizens on City's policy for tax abatement.

EFFECT OF NON-PASSAGE If Council wishes to allow residential tax abatements and does not adopt this resolution, the effect will be to create uncertainty over what types of abatements it will allow.

MONEY INVOLVED (Direct Cost, Expenditures, Savings) No direct costs or savings will be incurred as a result of this resolution; each abatement will result in foregone taxes for five years. However, no property taxes are collected now, as the property is publicly owned or tax delinquent.

ASSIGNED TO COMMITTEE (J.N.)

BILL NO. R-91-05-05

REPORT OF THE COMMITTEE ON FINANCE

MARK E. GIAQUINTA, CHAIRMAN
DONALD J. SCHMIDT, VICE CHAIRMAN
BRADBURY, REDD, BURNS

WE, YOUR COMMITTEE ON FINANCE TO WHOM WAS

REFERRED AN (ORDINANCE) (~~RESOLUTION~~) setting forth the
policy of the City of Fort Wayne under I.C. 6-1.1-12.1 for designating
residentially distressed areas

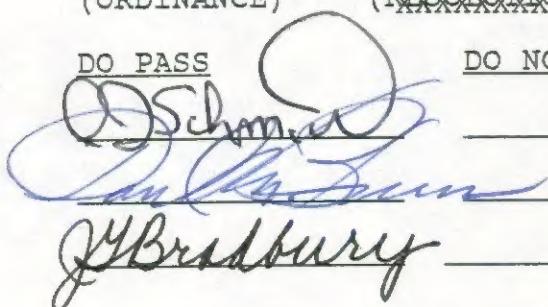
HAVE HAD SAID (ORDINANCE) (~~RESOLUTION~~) UNDER CONSIDERATION
AND BEG LEAVE TO REPORT BACK TO THE COMMON COUNCIL THAT SAID
(ORDINANCE) (~~RESOLUTION~~)

DO PASS

DO NOT PASS

ABSTAIN

NO REC


Donald Schmidt
Dan Redd
Jim Bradbury

DATED: 5-28-91

Sandra E. Kennedy
City Clerk